

LaVelle 8-14-69

Copy of this memo also in
Gen. Consp. file lease OCS-P-0240

August 15, 1969

AIRMAIL

Memorandum

To: Chief, Conservation Division
Through: Chief, Branch of Oil and Gas Operations

From: Regional Oil and Gas Supervisor

Subject: Sun Oil Co., et al, lease OCS-P 0240, Proposed Amended Plan of Development

Transmitted herewith is Sun Oil Company-DX Division's proposed plan of development for the west side of lease OCS-P 0240, including Applications for Permit to Drill eight wells.

The proposed plan of development will consist of three phases:

Phase 1

Will include development of the Brown and Yellow zones with seven wells. The eighth well will penetrate all Repetto zones for testing and evaluation purposes. Also the first well drilled from the vertical rig will be cored from ocean floor to the top of the Brown zone in order to initially obtain a definite analysis of the characteristics of this interval. Subsequent phases will be as follows and will be contingent upon the safe and satisfactory completion of Phase 1.

Phase 2

Complete primary development of all zones on the west side of lease OCS-P 0240.

Phase 3

Supplemental recovery program.

All aspects of Phase 1 adhere to OCS Order No. 10 and by drilling and completing in the Brown and Yellow zones Sun will be implementing the

recommendations of the DuBridge Panel. This Panel recommended six specific courses of action to alleviate this seepage problem on lease OCS-P 0241. Items 5 and 6 were as follows:

5. Reduce pressures throughout the reservoir to hydrostatic or less and maintain pressures with water injection, if needed, to minimize subsidence.
6. Deplete all Repetto reservoirs as efficiently and rapidly as possible consistent with safe practices.

Additionally the Panel made the following observation:

"The Panel notes that this oil structure underlies the adjoining Sun Oil Co. lease as well as the Union Oil Company lease. Good conservation practices require that the development of these leases be considered together. The Panel strongly recommends that unitization be practiced. Consideration should be given to pressure reduction from operations at the western end of the Sun Oil lease."


Sun Oil Co. has conferred with Union Oil Co. personnel. Union gave Sun certain data, including the color code they have been using for identifying zones. They plan to have more meetings in the near future. This mutual cooperation will assist in both the safety and the conservation aspects of developing these two leases.

This office recommends approval of Phase 1 of Sun Oil Company's proposed plan of development for lease OCS-P 0240.

(Orig. Sgd.) D. W. SOLANAS


D. W. Solanas

Enclosure

cc: Lease OCS-P 0240  This Copy for
Regional Geologist, Pacific Region
District Engineer, Santa Barbara
MIN. CLASS. WASH. OFFICE

BRLaVelle:vms

I concur in this recommendation:



W. C. Gere, Regional Geologist